

3  
 ARTICLE APPENDED  
 PAGE A-1

WASHINGTON POST  
 27 November 1986

## Reagan Names Board to Study NSC

J  
 By David Hoffman  
 Washington Post Staff Writer

SANTA BARBARA, Calif., Nov. 26—The Justice Department today expanded its probe of the Iran weapons shipments into a full-scale criminal investigation as Attorney General Edwin Meese III said people with "tangential" ties to the government were involved in the operation.

Justice Department officials said the probe, which began over the weekend with Meese and a handful of his assistants, has been enlarged to include the Federal Bureau of Investigation.

In Washington, a department official told Washington Post staff writer George Lardner Jr. that the investigation will be a wide-ranging inquiry that could include interviews abroad and the presentation of evidence to a federal grand jury. The move transforms what began as a fact-finding exercise for the president into a formal inquiry assigned to the Justice Department's Criminal Division and under Meese's supervision.

Meanwhile, President Reagan announced the appointment of a three-member review board, headed by former senator John G. Tower (R-Tex.) and including former secretary of state Edmund S. Muskie and Brent Scowcroft, who was President Gerald R. Ford's national security adviser, to determine the proper government role of the National Security Council.

The appointments came a day after Reagan accepted the resignation of his national security adviser, Vice Adm. John M. Poindexter, and dismissed Lt. Col. Oliver L. North, a member of the National Security Council staff. Meese said Tuesday that North "knew precisely" about the complex transactions that saw money from the Iranian arms sales go to help the Nicaraguan contras and that Poindexter had some knowledge of the diversion of funds and did not stop it.

In an appearance on ABC's "Good Morning America" today, Meese said, "It appears that there were some others involved and that's what we're looking into now . . . . There are some consultants involved and other people who have a tangential relationship to the United States government that we'll be talking to."

In another development, a State Department spokesman dismissed reports that Secretary of State George P. Shultz was planning to resign and said that "the secretary has every intention of staying the course with [the president] to the end."

Reagan arrived here for a Thanksgiving vacation as an ABC News poll showed deepening skepticism among the American public of the president's explanations about the Iran operation. The poll showed that Reagan's job approval rating has fallen another four points since his news conference last week. Fifty-three percent of those surveyed said they approved of the way he is handling his job, compared to 67 percent in September.

The nationwide poll, taken after the disclosure of the Nicaraguan link Tuesday, showed that six in 10 of those questioned say they think that Reagan knew about the diversion of money to the Nicaraguan contras before Monday, which is when he said he learned of it.

In addition, 67 percent said they think Reagan knew about it from the start, while 28 percent said he did not know of it from the start.

Asked whether the resignation of Poindexter and the firing of North ended the controversy, eight in 10 of those questioned said it did not. Overall, 67 percent said they disapprove of the way Reagan has handled the Iran arms situation.

Three of every four people questioned said they disapproved of the way the Iran weapons money was diverted to help the contras.

Reagan's public approval rating has not been so low since the controversy over deploying the Marines in Lebanon in September 1983. However, his approval rating is higher than his low of 42 percent in January 1983 when the recession was ending.

The survey showed a strong continuing belief in Reagan, even if he makes mistakes. Sixty-eight percent of those questioned agreed with the statement that Reagan may have made mistakes in this particular instance but that it does not raise major questions about his ability to run the country. Only 26 percent agreed with the statement that Reagan is not in control of his presidency and that the situation raises major questions about his ability to govern.

In a written statement today, Reagan said the newly appointed review board will conduct a "comprehensive study" of the future role and procedures of the National Security Council staff "in the development, coordination, oversight and conduct of foreign and national-security policy."

"In particular," he added, "I have asked the board to review the NSC staff's proper role in operational activities, especially extremely sensitive diplomatic, military and intelligence missions. Specifically, they should look at the manner in which foreign and national-security policies I established have been implemented by the NSC staff."

Reagan created the board in response to sharp criticism in recent weeks that the White House had overstepped its bounds in getting involved in the operational details of the Iran arms shipments, while excluding senior military leaders and diplomats.

Reagan said he wanted the review completed in a "prompt and thorough manner." White House deputy press secretary for foreign policy Dan Howard said Reagan would meet with the members Monday to discuss the effort.

"The bottom line is that they will have carte blanche to talk to anyone and see anything they need to look at," he told reporters as Reagan flew to his California ranch for the holiday.

White House officials said a replacement for Poindexter has not been selected. "We're collecting names," chief of staff Donald T. Regan told reporters on arrival at Point Mugu Naval Air Station this afternoon.

A Sources said one candidate for the NSC post was former CIA deputy director Bobby Inman.

As the president stepped from Air Force One, he was quickly directed away from a "pool" of reporters under the wing and taken in the opposite direction to meet with a group of schoolchildren.

Regan insisted before leaving Washington that he did not have a responsibility to look into the Iran weapons shipments earlier. "I didn't know anything was happening," he said. "You understand that the NSC doesn't report to the chief of staff."

Despite calls for appointment of an independent counsel to take over the probe under the Ethics in Government Act, officials in Washington said Meese intends to remain in charge until the Justice Department has developed "a complete factual record." They said there was not enough evidence yet to think that anyone has committed a federal crime, let alone that one has been committed by an official high-ranking enough to trigger appointment of an independent counsel.

The inquiry will be "basically managed" by Associate Attorney General Stephen S. Trott and Assistant Attorney General William Weld, who heads the Criminal Division.

"It will be complete, thorough and expeditious," one official said. "We would like to produce a product by the end of the year, but we just don't know how long it will take."

The mushrooming inquiry began modestly last Thursday, according to a knowledgeable source, when Meese and Chuck Cooper, the assistant attorney general in charge of the Office of Legal Counsel, were reviewing legal issues involved in testimony to be given by administration officials on the increasingly explosive issue of arms shipments to Iran.

They found "noticeable gaps" in the records kept by different officials. So, about 11:30 a.m. Friday, Meese met with Reagan, Regan and Poindexter and told them they needed a comprehensive overview.

"Everybody agreed that was needed," the source said. Meese was given the chore with the idea that a full report would be ready for the president to present at a scheduled NSC meeting on Monday afternoon. Meese headed back to the Justice Department and assembled a small team, including Cooper, Assistant Attorney General William Bradford Reynolds, Meese staff assistant John Richardson and several others.

A They worked through the weekend, reviewing documents and talking to people, including the president, Regan, Shultz, Defense Secretary Caspar W. Weinberger, CIA Director William J. Casey, Poindexter, North and former national security adviser Robert C. McFarlane. Meese spoke with Vice President Bush on Monday.

"These were conversations, not part of a formalistic investigation," the source emphasized.

By Saturday, the review team came across information indicating a connection between funds coming out of Iran and the Nicaraguan contras. That link became increasingly clear as the weekend wore on. As a result, the source said, Meese met with Reagan at 11 a.m. Monday that more information was needed. The topic was taken off the NSC agenda. Meese conferred with Reagan late Monday and early Tuesday.

By that time, the source said, "Poindexter had already let it be known he would be leaving, and the president said it was time to get all of this out."